



Ohio Legislative Service Commission

Mary Morris

Fiscal Note & Local Impact Statement

Bill: S.B. 249 of the 128th G.A.

Date: June 10, 2010

Status: As Passed by the Senate

Sponsor: Sens. Seitz and Grendell

Local Impact Statement Procedure Required: No — No local cost

Contents: Permits lease-leaseback agreements for university housing or parking

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill permits state-assisted institutions of higher education to enter into lease-leaseback arrangements for the financing of housing or parking properties. In such an arrangement, an institution must convey the property to a public charity acting as a conduit entity. An independent funding source must then lease the property from the public charity and simultaneously lease it back to the charity. All such arrangements must be approved by the Chancellor of the Board of Regents and the Controlling Board. Any institution that chooses to enter into a lease-leaseback arrangement would establish the specific terms and obligations of the agreement, including the cost and responsibility of property management and the receipt of revenues from housing or parking operations. The bill may increase flexibility for institutions by providing this additional option, allowing the institutions to finance these properties without institutional debt.

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